

ANNUAL STATEMENT

For the Year Ending December 31, 2002

OF THE CONDITION AND AFFAIRS OF THE

Community Care Plan

NAIC Group Code

0000

(Current Period)

,

0000

(Prior Period)

NAIC Company Code

52619

Employer's ID Number

38-3128143

Organized under the Laws of

Michigan

,

State of Domicile or Port of Entry

Michigan

Country of Domicile

United States of America

Licensed as business type:

Life, Accident & Health[ ]

Property/Casualty[ ]

Hospital, Medical & Dental Service or Indemnity[ ]

Dental Service Corporation[ ]

Vision Service Corporation[ ]

Health Maintenance Organization[X]

Other[ ]

Is HMO Federally Qualified? Yes[ ] No[X]

Date Incorporated or Organized

07/27/1993

Date Commenced Business

06/01/1996

Statutory Home Office

2100 Raybrood Dr. SE

(Street and Number)

,

Grand Rapids, MI 49546

(City, or Town, State and Zip Code)

Main Administrative Office

2100 Raybrook Dr. SE

(Street and Number)

Grand Rapids, MI 49546

(City or Town, State and Zip Code)

(616)252-4592

(Area Code) (Telephone Number)

Mail Address

PO Box 7069

(Street and Number or P.O. Box)

,

Grand Rapids, MI 49510-7069

(City, or Town, State and Zip Code)

Primary Location of Books and Records

2100 Raybrook Dr. SE

(Street and Number)

Grand Rapids, MI 49546

(City, or Town, State and Zip Code)

(616)252-4592

(Area Code) (Telephone Number)

Internet Website Address

www.communitycareplan.org

Statement Contact

keith Sherwood

(Name)

(616)252-4592

(Area Code)(Telephone Number)(Extension)

keithsherwood@metrogr.org

(E-Mail Address)

(616)252-4552

(Fax Number)

Policyowner Relations Contact

(Street and Number)

(City, or Town, State and Zip Code)

(Area Code) (Telephone Number)(Extension)

OFFICERS

President Keith Sherwood

Secretary Frank E Belsito DO

Treasurer William R Baxter

VICE PRESIDENTS

DIRECTORS OR TRUSTEES

Willaim C Cunningham DO

Robert Smedes

Ruth Cupp

Frank E Belsito DO

Michael Faas

Carlos Bolds

State of Michigan

County of Kent ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manuals except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

(Signature)

Keith Sherwood

(Printed Name)

President

(Signature)

William R Baxter

(Printed Name)

Treasurer

(Signature)

Douglas Phillips

(Printed Name)

Assistant Secretary

a. Is this an original filing?

Yes[X] No[ ]

b. If no,

1. State the amendment number

0

2. Date filed

3. Number of pages attached

0

Subscribed and sworn to before me this

day of

, 2003

(Notary Public Signature)

ASSETS

		Current Year			Prior Year
		1	2	3	4
		Assets	Nonadmitted Assets	Net Admitted Assets	Net Admitted Assets
1.	Bonds .....	0	0	0	0
2.	Stocks: .....				
2.1	Preferred stocks .....	0	0	0	0
2.2	Common stocks .....	0	0	0	0
3.	Mortgage loans on real estate: .....				
3.1	First liens .....	0	0	0	0
3.2	Other than first liens .....	0	0	0	0
4.	Real estate (Schedule A): .....				
4.1	Properties occupied by the company (less \$.....0 encumbrances) .....	0	0	(a) 0	0
4.2	Properties held for the production of income (less \$.....0 encumbrances) .....	0	0	0	0
4.3	Properties held for sale (less \$.....0 encumbrances) .....	0	0	0	0
5.	Cash (\$.....5,799,997, Schedule E - Part 1) and short-term investments (\$.....6,940,614, Schedule DA - Part 2) .....	12,776,825	36,216	12,740,609	9,761,827
6.	Other long-term invested assets .....	0	0	0	0
7.	Receivable for securities .....	0	0	0	0
8.	Aggregate write-ins for invested assets .....	0	0	0	0
9.	Subtotal, cash and invested assets (Lines 1 to 8) .....	12,776,825	36,216	12,740,609	9,761,827
10.	Accident and health premiums due and unpaid .....	0	0	0	0
11.	Health care receivables .....	1,270,686	0	1,270,686	1,956,569
12.	Amounts recoverable from reinsurers .....	0	0	0	0
13.	Net adjustment in assets and liabilities due to foreign exchange rates .....	0	0	0	0
14.	Investment income due and accrued .....	3,282	0	3,282	12,009
15.	Amounts due from parent, subsidiaries and affiliates .....	0	0	0	0
16.	Amounts receivable relating to uninsured accident and health plans .....	0	0	0	0
17.	Furniture and equipment .....	44,685	44,685	0	0
18.	Amounts due from agents .....	0	0	0	0
19.	Federal and foreign income tax recoverable and interest thereon (including \$.....0 net deferred tax asset) .....	0	0	0	0
20.	Electronic data processing equipment and software .....	102,414	102,414	0	0
21.	Other nonadmitted assets .....	0	0	0	0
22.	Aggregate write-ins for other than invested assets .....	18,433	18,433	0	0
23.	Total assets (Lines 9 plus 10 through 22) .....	14,216,325	201,748	14,014,577	11,730,405
DETAILS OF WRITE-INS					
0801	.....	0	0	0	0
0802	.....	0	0	0	0
0803	.....	0	0	0	0
0898.	Summary of remaining write-ins for Line 8 from overflow page .....	0	0	0	0
0899.	TOTALS (Lines 0801 through 0803 plus 0898) (Line 8 above) .....	0	0	0	0
2201.	Prepaid Expenses .....	18,433	18,433	0	0
2202	.....	0	0	0	0
2203	.....	0	0	0	0
2298.	Summary of remaining write-ins for Line 22 from overflow page .....	0	0	0	0
2299.	TOTALS (Lines 2201 through 2203 plus 2298) (Line 22 above) .....	18,433	18,433	0	0

(a) \$.....0 health care delivery assets included in Line 4.1, Column 3.

LIABILITIES, CAPITAL AND SURPLUS

		Current Year			Prior Year
		1 Covered	2 Uncovered	3 Total	4 Total
1.	Claims unpaid (less \$.....0 reinsurance ceded) .....	7,030,891	0	7,030,891	5,803,435
2.	Accrued medical incentive pool and bonus payments .....	75,773	0	75,773	233,437
3.	Unpaid claims adjustment expenses .....	0	0	0	0
4.	Aggregate policy reserves .....	0	0	0	0
5.	Aggregate claim reserves .....	0	0	0	0
6.	Premiums received in advance .....	0	0	0	0
7.	General expenses due or accrued .....	83,231	0	83,231	114,902
8.	Federal and foreign income tax payable and interest thereon (including \$.....0 on realized capital gains (losses)) (including \$.....0 net deferred tax liability) .....	0	0	0	0
9.	Amounts withheld or retained for account of others .....	42,651	0	42,651	0
10.	Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including\$.....0 current) .....	0	0	0	0
11.	Amounts due to parent, subsidiaries and affiliates .....	214,352	0	214,352	240,375
12.	Payable to securities .....	0	0	0	0
13.	Funds held under reinsurance treaties with (\$.....0 authorized reinsurers and \$.....0 unauthorized reinsurers .....	0	0	0	0
14.	Reinsurance in unauthorized companies .....	0	0	0	0
15.	Net adjustments in assets and liabilities due to foreign exchange rates .....	0	0	0	0
16.	Liability for amounts held under uninsured accident and health plans .....	0	0	0	0
17.	Aggregate write-ins for other liabilities (including \$.....0 current) .....	0	0	0	0
18.	Total liabilities (Lines 1 to 17) .....	7,446,898	0	7,446,898	6,392,149
19.	Common capital stock .....	X X X	X X X	0	0
20.	Preferred capital stock .....	X X X	X X X	0	0
21.	Gross paid in and contributed surplus .....	X X X	X X X	760,857	760,857
22.	Surplus notes .....	X X X	X X X	0	0
23.	Aggregate write-ins for other than special surplus funds .....	X X X	X X X	0	0
24.	Unassigned funds (surplus) .....	X X X	X X X	5,806,822	4,577,399
25.	Less treasury stock, at cost:	X X X	X X X		
25.1	.....0 shares common (value included in Line 19 \$.....0) .....	X X X	X X X	0	0
25.2	.....0 shares preferred (value included in Line 20 \$.....0) .....	X X X	X X X	0	0
26.	Total capital and surplus (Lines 19 to 25) .....	X X X	X X X	6,567,679	5,338,256
27.	Total liabilities, capital and surplus (Lines 18 and 26) .....	X X X	X X X	14,014,577	11,730,405
DETAILS OF WRITE-INS					
1701	.....	0	0	0	0
1702	.....	0	0	0	0
1703	.....	0	0	0	0
1798.	Summary of remaining write-ins for Line 17 from overflow page .....	0	0	0	0
1799.	TOTALS (Lines 1701 through 1703 plus 1798) (Line 17 above) .....	0	0	0	0
2301	.....	X X X	X X X	0	0
2302	.....	X X X	X X X	0	0
2303	.....	X X X	X X X	0	0
2398.	Summary of remaining write-ins for Line 23 from overflow page .....	X X X	X X X	0	0
2399.	TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) .....	X X X	X X X	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months .....	X X X .....	427,648	325,399
2.	Net premium income .....	X X X .....	55,413,678	43,779,077
3.	Change in unearned premium reserves and reserve for rate credits .....	X X X .....	0	0
4.	Fee-for-service (net of \$.....0 medical expenses) .....	X X X .....	0	0
5.	Risk revenue .....	X X X .....	0	0
6.	Aggregate Write-Ins for Other health care related revenues .....	X X X .....	0	0
7.	Total revenues (Lines 2 to 6) .....	X X X .....	55,413,678	43,779,077
Medical and Hospital:				
8.	Hospital/medical benefits .....	0	25,329,115	23,206,110
9.	Other Professional Services .....	0	4,530,894	3,071,918
10.	Outside Referrals .....	0	1,329,910	919,312
11.	Emergency room and out-of-area .....	0	7,285,598	2,188,726
12.	Prescription drugs .....	0	12,203,589	9,821,256
13.	Aggregate write-ins for other medical and hospital .....	0	0	0
14.	Incentive pool and withhold adjustments .....	0	(72,541)	40,670
15.	Subtotal (Lines 8 to 14) .....	0	50,606,565	39,247,992
LESS:				
16.	Net reinsurance recoveries .....	0	15,402	34,391
17.	Total medical and hospital (Lines 15 minus 16) .....	0	50,591,163	39,213,601
18.	Claims adjustment expenses .....	683,356	683,356	582,877
19.	General administrative expenses .....	3,118,936	3,118,936	2,667,464
20.	Increase in reserves for accident and health contracts .....	0	0	0
21.	Total underwriting deductions (Lines 17 through 20) .....	3,802,292	54,393,455	42,463,942
22.	Net underwriting gain or (loss) (Lines 7 minus 21) .....	X X X .....	1,020,223	1,315,135
23.	Net investment income earned .....	0	188,538	257,051
24.	Net realized capital gains or (losses) .....	0	0	(4,903)
25.	Net investment gains or (losses) (Lines 23 plus 24) .....	0	188,538	252,148
26.	Net gain or (Loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)] .....	0	0	0
27.	Aggregate write-ins for other income or expenses .....	0	13,893	445,411
28.	Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27) .....	0	1,222,654	2,012,694
29.	Federal and foreign income taxes incurred .....	X X X .....	0	0
30.	Net income (loss) (Lines 28 minus 29) .....	X X X .....	1,222,654	2,012,694
DETAILS OF WRITE-INS				
0601.	0 .....	X X X .....	0	0
0602	.....	X X X .....	0	0
0603	.....	X X X .....	0	0
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	X X X .....	0	0
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	X X X .....	0	0
1301	.....	0	0	0
1302	.....	0	0	0
1303	.....	0	0	0
1398.	Summary of remaining write-ins for Line 13 from overflow page .....	0	0	0
1399.	TOTALS (Lines 1301 through 1303 plus 1398) (Line 13 above) .....	0	0	0
2701.	COB/Subrogation .....	0	13,893	12,120
2702.	Benchmark Award .....	0	0	433,291
2703	.....	0	0	0
2798.	Summary of remaining write-ins for Line 27 from overflow page .....	0	0	0
2799.	TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above) .....	0	13,893	445,411

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1	2
		Current Year	Prior Year
CAPITAL & SURPLUS ACCOUNT			
31.	Capital and surplus prior reporting year .....	5,338,256	3,333,600
GAINS AND LOSSES TO CAPITAL & SURPLUS			
32.	Net income or (loss) from Line 30 .....	1,222,654	2,012,694
33.	Change in valuation basis of aggregate policy and claim reserves .....	0	0
34.	Net unrealized capital gains and losses .....	0	0
35.	Change in net unrealized foreign exchange capital gain or (loss) .....	0	0
36.	Change in net deferred income tax .....	0	0
37.	Change in nonadmitted assets .....	6,769	(8,038)
38.	Change in unauthorized reinsurance .....	0	0
39.	Change in treasury stock .....	0	0
40.	Change in surplus notes .....	0	0
41.	Cumulative effect of changes in accounting principles .....	0	0
42.	Capital Changes:		
42.1	Paid in .....	0	0
42.2	Transferred from surplus (Stock Dividend) .....	0	0
42.3	Transferred to surplus .....	0	0
43.	Surplus adjustments:		
43.1	Paid in .....	0	0
43.2	Transferred to capital (Stock Dividend) .....	0	0
43.3	Transferred from capital .....	0	0
44.	Dividends to stockholders .....	0	0
45.	Aggregate write-ins for gains or (losses) in surplus .....	0	0
46.	Net change in capital and surplus (Lines 32 to 45) .....	1,229,423	2,004,656
47.	Capital and surplus end of reporting year (Line 31 plus 46) .....	6,567,679	5,338,256
DETAILS OF WRITE-INS			
4501	.....	0	0
4502	.....	0	0
4503	.....	0	0
4598.	Summary of remaining write-ins for Line 45 from overflow page .....	0	0
4599.	TOTALS (Lines 4501 through 4503 plus 4598) (Line 45 above) .....	0	0

CASH FLOW

		1	2
		Current Year	Prior Year
Cash from Operations			
1.	Premiums and revenues collected net of reinsurance .....	55,413,678	43,779,077
2.	Claims and claims adjustment expenses .....	50,058,387	37,410,270
3.	General administrative expenses paid .....	3,118,936	2,639,705
4.	Other underwriting income (expenses) .....	0	0
5.	Cash from underwriting (Line 1 minus Line 2 minus Line 3 plus Line 4) .....	2,236,355	3,729,102
6.	Net investment income .....	0	262,611
7.	Other income (expenses) .....	13,893	445,411
8.	Federal and foreign income taxes (paid) recovered .....	0	0
9.	Net cash from operations (Line 5 to 8) .....	2,250,248	4,437,124
Cash from Investments			
10.	Proceeds from investments sold, matured or repaid:		
10.1	Bonds .....	0	591,105
10.2	Stocks .....	0	56,101
10.3	Mortgage loans .....	0	0
10.4	Real estate .....	0	0
10.5	Other invested assets .....	0	0
10.6	Net gains or (losses) on cash and short-term investments .....	0	0
10.7	Miscellaneous proceeds .....	0	0
10.8	Total investment proceeds (Lines 10.1 to 10.7) .....	0	647,206
11.	Cost of investments acquired (long-term only):		
11.1	Bonds .....	0	11,666
11.2	Stocks .....	0	18,564
11.3	Mortgage loans .....	0	0
11.4	Real estate .....	0	0
11.5	Other invested assets .....	0	0
11.6	Miscellaneous applications .....	0	0
11.7	Total investments acquired (Lines 11.1 to 11.6) .....	0	30,230
12.	Net cash from investments (Line 10.8 minus Line 11.7) .....	0	616,976
Cash from Financing and Miscellaneous Sources			
13.	Cash provided:		
13.1	Surplus notes, capital and surplus paid in .....	0	0
13.2	Net transfers from affiliates .....	0	86,764
13.3	Borrowed funds received .....	0	0
13.4	Other cash provided .....	728,534	23,251
13.5	Total (Lines 13.1 to 13.4) .....	728,534	110,015
14.	Cash applied:		
14.1	Dividends to stockholder paid .....	0	0
14.2	Net transfers to affiliates .....	0	0
14.3	Borrowed funds repaid .....	0	0
14.4	Other applications .....	0	848,369
14.5	Total (Lines 14.1 to 14.4) .....	0	848,369
15.	Net cash from financing and miscellaneous sources (Line 13.5 minus Line 14.5) .....	728,534	(738,354)
RECONCILIATION OF CASH AND SHORT-TERM INVESTMENTS			
16.	Net change in cash and short-term investments (Line 9 plus Line 12 plus Line 15) .....	2,978,782	4,315,746
17.	Cash and short-term investments:		
17.1	Beginning of year .....	9,761,827	5,446,081
17.2	End of year (Line 16 plus Line 17.1) .....	12,740,609	9,761,827

**ANALYSIS OF OPERATIONS BY LINES OF BUSINESS**  
**(Gain and Loss Exhibit)**

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		1	2	3	4	5	6	7	8	9	10	11	12	13
		Total	Comprehensive (Hospital & Medical)	Medical Only	Medicare Supplement	Dental Only	Vision Only	Federal Employee Health Benefit Plan	Title XVIII- Medicare	Title XIX- Medicaid	Stop Loss	Disability Income	Long- term Care	Other
1.	Net premium income .....	55,413,678	0	0	0	0	0	0	0	55,413,678	0	0	0	0
2.	Change in unearned premium reserves and reserve for rate credit .....	0	0	0	0	0	0	0	0	0	0	0	0	0
3.	Fee-for-service (net of \$.0 medical expenses) .....	0	0	0	0	0	0	0	0	0	0	0	0	0
4.	Risk revenue .....	0	0	0	0	0	0	0	0	0	0	0	0	0
5.	Aggregate write-ins for other health care related revenues .....	0	0	0	0	0	0	0	0	0	0	0	0	0
6.	Total revenues (Lines 1 to 5) .....	55,413,678	0	0	0	0	0	0	0	55,413,678	0	0	0	0
7.	Medical/hospital benefits .....	25,329,115	0	0	0	0	0	0	0	25,329,115	0	0	0	0
8.	Other professional services .....	4,530,894	0	0	0	0	0	0	0	4,530,894	0	0	0	0
9.	Outside referrals .....	1,329,910	0	0	0	0	0	0	0	1,329,910	0	0	0	0
10.	Emergency room and out-of-area .....	7,285,598	0	0	0	0	0	0	0	7,285,598	0	0	0	0
11.	Prescription drugs .....	12,203,589	0	0	0	0	0	0	0	12,203,589	0	0	0	0
12.	Aggregate write-ins for other medical and hospital .....	0	0	0	0	0	0	0	0	0	0	0	0	0
13.	Incentive pool and withhold adjustments .....	(72,541)	0	0	0	0	0	0	0	(72,541)	0	0	0	0
14.	Subtotal (Lines 7 to 13) .....	50,606,565	0	0	0	0	0	0	0	50,606,565	0	0	0	0
15.	Net reinsurance recoveries .....	15,402	0	0	0	0	0	0	0	15,402	0	0	0	0
16.	Total medical and hospital (Lines 14 minus 15) .....	50,591,163	0	0	0	0	0	0	0	50,591,163	0	0	0	0
17.	Claims adjustment expenses .....	683,356	0	0	0	0	0	0	0	683,356	0	0	0	0
18.	General administrative expenses .....	3,118,936	0	0	0	0	0	0	0	3,118,936	0	0	0	0
19.	Increase in reserves for accident and health contracts .....	0	0	0	0	0	0	0	0	0	0	0	0	0
20.	Total underwriting deductions (Lines 16 to 19) .....	54,393,455	0	0	0	0	0	0	0	54,393,455	0	0	0	0
21.	Net underwriting gain or (loss) (Line 6 minus Line 20) .....	1,020,223	0	0	0	0	0	0	0	1,020,223	0	0	0	0
<b>DETAILS OF WRITE-INS</b>														
0501	.....	0	0	0	0	0	0	0	0	0	0	0	0	0
0502	.....	0	0	0	0	0	0	0	0	0	0	0	0	0
0503	.....	0	0	0	0	0	0	0	0	0	0	0	0	0
0598.	Summary of remaining write-ins for Line 5 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
0599.	TOTAL (Lines 0501 through 0503 plus 0598) (Line 5 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0
1201	.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1202	.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1203	.....	0	0	0	0	0	0	0	0	0	0	0	0	0
1298.	Summary of remaining write-ins for Line 12 from overflow page .....	0	0	0	0	0	0	0	0	0	0	0	0	0
1299.	TOTAL (Lines 1201 through 1203 plus 1298) (Line 12 above) .....	0	0	0	0	0	0	0	0	0	0	0	0	0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 1 - PREMIUMS**

		1	2	3	4
Line of Business		Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Premium Income (Columns 1 + 2 - 3)
1.	Comprehensive (medical and hospital) .....	0	0	0	0
2.	Medicare Supplement .....	0	0	0	0
3.	Dental only .....	0	0	0	0
4.	Vision only .....	0	0	0	0
5.	Federal Employees Health Benefits Plan				
	Premiums .....	0	0	0	0
6.	Title XVIII - Medicare .....	0	0	0	0
7.	Title XIX - Medicaid .....	55,652,588	0	238,910	55,413,678
8.	Other .....	0	0	0	0
9.	TOTALS .....	55,652,588	0	238,910	55,413,678



**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2 - Claims Incurred During the Year**

	1	2	3	4	5	6	7	8	9
	Total	Compre- hensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1. Payments during the year:									
1.1 Direct .....	49,379,109	0	0	0	0	0	0	49,379,109	0
1.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0
1.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
1.4 Net .....	49,379,109	0	0	0	0	0	0	49,379,109	0
2. Paid medical incentive pools and bonuses .....	0	0	0	0	0	0	0	0	0
3. Claim liability December 31, current year from Part 2A:									
3.1 Direct .....	7,030,891	0	0	0	0	0	0	7,030,891	0
3.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
3.4 Net .....	7,030,891	0	0	0	0	0	0	7,030,891	0
4. Claim reserve December 31, current year from Part 2D:									
4.1 Direct .....	0	0	0	0	0	0	0	0	0
4.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
4.4 Net .....	0	0	0	0	0	0	0	0	0
5. Accrued medical incentive pools and bonuses, current year .....	75,773	0	0	0	0	0	0	75,773	0
6. Amounts recoverable from reinsurers December 31, current year .....	0	0	0	0	0	0	0	0	0
7. Claim liability December 31, prior year from Part 2A:									
7.1 Direct .....	5,803,435	0	0	0	0	0	0	5,803,435	0
7.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0
7.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
7.4 Net .....	5,803,435	0	0	0	0	0	0	5,803,435	0
8. Claim reserve December 31, prior year from Part 2D:									
8.1 Direct .....	0	0	0	0	0	0	0	0	0
8.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
8.4 Net .....	0	0	0	0	0	0	0	0	0
9. Accrued medical incentive pools and bonuses, prior year .....	233,437	0	0	0	0	0	0	233,437	0
10. Amounts recoverable from reinsurers December 31, prior year .....	0	0	0	0	0	0	0	0	0
11. Incurred benefits:									
11.1 Direct .....	50,606,565	0	0	0	0	0	0	50,606,565	0
11.2 Reinsurance assumed .....	0	0	0	0	0	0	0	0	0
11.3 Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
11.4 Net .....	50,606,565	0	0	0	0	0	0	50,606,565	0
12. Incurred medical incentive pools and bonuses .....	(157,664)	0	0	0	0	0	0	(157,664)	0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2A - Claims Liability End of Current Year**

		1	2	3	4	5	6	7	8	9
		Total	Compre- hensive (Medical & Hospital)	Medicare Supplement	Dental Only	Vision Only	Federal Employees Health Benefits Plan Premium	Title XVIII Medicare	Title XIX Medicaid	Other
1.	Reported in Process of Adjustment:									
1.1	Direct .....	0	0	0	0	0	0	0	0	0
1.2	Reinsurance assumed .....	0	0	0	0	0	0	0	0	0
1.3	Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
1.4	Net .....	0	0	0	0	0	0	0	0	0
2.	Incurred but Unreported:									
2.1	Direct .....	7,030,891	0	0	0	0	0	0	7,030,891	0
2.2	Reinsurance assumed .....	0	0	0	0	0	0	0	0	0
2.3	Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
2.4	Net .....	7,030,891	0	0	0	0	0	0	7,030,891	0
3.	Amounts Withheld from Paid Claims and Capitations:									
3.1	Direct .....	0	0	0	0	0	0	0	0	0
3.2	Reinsurance assumed .....	0	0	0	0	0	0	0	0	0
3.3	Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
3.4	Net .....	0	0	0	0	0	0	0	0	0
4.	TOTALS									
4.1	Direct .....	7,030,891	0	0	0	0	0	0	7,030,891	0
4.2	Reinsurance assumed .....	0	0	0	0	0	0	0	0	0
4.3	Reinsurance ceded .....	0	0	0	0	0	0	0	0	0
4.4	Net .....	7,030,891	0	0	0	0	0	0	7,030,891	0

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2B - ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

		Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
		1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred Durring the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year	Claims Incurred in Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1.	Comprehensive (medical and hospital) .....	0	0	0	0	0	0
2.	Medicare Supplement .....	0	0	0	0	0	0
3.	Dental only .....	0	0	0	0	0	0
4.	Vision only .....	0	0	0	0	0	0
5.	Federal Employees Health Benefits Plan Premiums .....	0	0	0	0	0	0
6.	Title XVIII - Medicare .....	0	0	0	0	0	0
7.	Title XIX - Medicaid .....	5,167,194	44,278,477	179,352	6,851,539	5,346,546	5,803,435
8.	Other .....	0	0	0	0	0	0
9.	Subtotal .....	5,167,194	44,278,477	179,352	6,851,539	5,346,546	5,803,435
10.	Medical incentive pools, accrual and disbursements .....	896	0	0	75,773	896	233,437
11.	TOTALS .....	5,168,090	44,278,477	179,352	6,927,312	5,347,442	6,036,872

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)**

**Grand Total**  
**Section A - Paid Claims**

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior .....	394	7	0	0	0
2.	1998 .....	1,799	1,211	2	(1)	0
3.	1999 .....	X X X	6,270	1,467	3	0
4.	2000 .....	X X X	X X X	8,529	2,380	6
5.	2001 .....	X X X	X X X	X X X	25,160	4,649
6.	2002 .....	X X X	X X X	X X X	X X X	41,427

**Section B - Incurred Claims**

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior .....	393	7	0	0	0
2.	1998 .....	1,799	1,211	2	(1)	0
3.	1999 .....	X X X	6,271	1,467	3	980
4.	2000 .....	X X X	X X X	8,529	2,380	7
5.	2001 .....	X X X	X X X	X X X	25,160	4,731
6.	2002 .....	X X X	X X X	X X X	X X X	48,376

**Section C - Incurred Year Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	Prior to 1998 .....	X X X	0	0	X X X	0	X X X	0	0	0	X X X
2.	1998 .....	85	30	0	0	30	35	0	0	30	35
3.	1999 .....	217	77	NONE		77	35	0	0	77	35
4.	2000 .....	308	109			109	35	0	0	109	35
5.	2001 .....	438	299			882	201	82	0	964	220
6.	2002 .....	554	484			1,167	211	7,024	0	8,191	1,479
7.	TOTAL (Lines 1 through 6) .....	X X X	999	1,266	X X X	2,265	X X X	7,106	0	9,371	X X X
8.	TOTAL (Lines 2 through 6) .....	1,602	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Total

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)**

**Hospital and Medical**

**Section A - Paid Claims**

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior .....	0	0	0	0	0
2.	1998 .....	NONE	0	0	0	0
3.	1999 .....		0	0	0	0
4.	2000 .....		X X	0	0	0
5.	2001 .....		X X	X X X	0	0
6.	2002 .....		X X X	X X X	X X X	0

**Section B - Incurred Claims**

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior .....	0	0	0	0	0
2.	1998 .....	NONE	0	0	0	0
3.	1999 .....		0	0	0	0
4.	2000 .....		X X	0	0	0
5.	2001 .....		X X	X X X	0	0
6.	2002 .....		X X X	X X X	X X X	0

**Section C - Incurred Year Claims and Claims Adjustment Expense Ratio**

		1	2	3	4	5	6	7	8	9	10
Years in Which Premiums were Earned and Claims were Incurred		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1998 .....	X X X	0	0	X X X	0	X X X	0	0	0	X X X
2.	1998 .....	0	0	0	0	0	0	0	0	0	0
3.	1999 .....	0	0	0	0	0	0	0	0	0	0
4.	2000 .....	0	0	0	0	0	0	0	0	0	0
5.	2001 .....	0	0	0	0	0	0	0	0	0	0
6.	2002 .....	0	0	0	0	0	0	0	0	0	0
7.	TOTAL (Lines 1 through 6) .....	X X X	0	0	X X X	0	X X X	0	0	0	X X X
8.	TOTAL (Lines 2 through 6) .....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)**

**Medicare Supplement**

**Section A - Paid Claims**

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior .....	0	0	0	0	0
2.	1998 .....	NONE	0	0	0	0
3.	1999 .....		0	0	0	0
4.	2000 .....		X X	0	0	0
5.	2001 .....		X X	X X X	0	0
6.	2002 .....		X X X	X X X	X X X	0

**Section B - Incurred Claims**

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior .....	0	0	0	0	0
2.	1998 .....	0	0	0	0	0
3.	1999 .....	X X X	0	0	0	0
4.	2000 .....	X X X	X X X	0	0	0
5.	2001 .....	X X X	X X X	X X X	0	0
6.	2002 .....	X X X	X X X	X X X	X X X	0

**Section C - Incurred Year Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred		1  Premiums Earned	2  Claims Payments	3  Claim Adjustment Expense Payments	4  (Col. 3/2) Percent	5  Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6  (Col. 5/1) Percent	7  Claims Unpaid	8  Unpaid Claims Adjustment Expenses	9  Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	10  (Col. 9/1) Percent
1.	Prior to 1998 .....	X X X	0	0	X X X	0	X X X	0	0	0	X X X
2.	1998 .....	0	0	0	0	0	0	0	0	0	0
3.	1999 .....	0	0	NONE		0	0	0	0	0	0
4.	2000 .....	0	0			0	0	0	0	0	0
5.	2001 .....	0	0			0	0	0	0	0	0
6.	2002 .....	0	0			0	0	0	0	0	0
7.	TOTAL (Lines 1 through 6) .....	X X X	0	0	X X X	0	X X X	0	0	0	X X X
8.	TOTAL (Lines 2 through 6) .....	0	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Dental Only.....	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Dental Only.....	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Dental Only.....	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Vision Only.....	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Vision Only.....	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Vision Only.....	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Fed Emp HBPP.....	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Fed Emp HBPP.....	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Fed Emp HBPP.....	NONE
12	Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Title XVIII-Medicare .....	NONE
12	Underwriting Invest Exh Pt 2C Sn B - Incur. Claims - Title XVIII-Medicare .....	NONE
12	Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Title XVIII-Medicare .....	NONE

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 2C - DEVELOPMENT OF PAID AND INCURRED CLAIMS (000 Omitted)**

**Title XIX - Medicaid**  
**Section A - Paid Claims**

Year in Which Losses Were Incurred		Net Amounts Paid				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior .....	394	7	0	0	0
2.	1998 .....	1,799	1,211	2	(1)	0
3.	1999 .....	X X X	6,270	1,467	3	0
4.	2000 .....	X X X	X X X	8,529	2,380	6
5.	2001 .....	X X X	X X X	X X X	25,160	4,649
6.	2002 .....	X X X	X X X	X X X	X X X	41,427

**Section B - Incurred Claims**

Year in Which Losses Were Incurred		Sum of Net Amount Paid and Claim Liability and Reserve Outstanding at End of Year				
		1 1998	2 1999	3 2000	4 2001	5 2002
1.	Prior .....	393	7	0	0	0
2.	1998 .....	1,799	1,211	2	(1)	0
3.	1999 .....	X X X	6,271	1,467	3	980
4.	2000 .....	X X X	X X X	8,529	2,380	7
5.	2001 .....	X X X	X X X	X X X	25,160	4,731
6.	2002 .....	X X X	X X X	X X X	X X X	48,376

**Section C - Incurred Year Claims and Claims Adjustment Expense Ratio**

Years in Which Premiums were Earned and Claims were Incurred		1	2	3	4	5	6	7	8	9	10
		Premiums Earned	Claims Payments	Claim Adjustment Expense Payments	(Col. 3/2) Percent	Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	(Col. 5/1) Percent	Claims Unpaid	Unpaid Claims Adjustment Expenses	Total Claims and Claims Adjustment Expense Incurred (Col. 5 + 7 + 8)	(Col. 9/1) Percent
1.	Prior to 1998 .....	X X X	0	0	X X X	0	X X X	0	0	0	X X X
2.	1998 .....	85	30	0	0	30	35	0	0	30	35
3.	1999 .....	217	77	0	0	77	35	0	0	77	35
4.	2000 .....	308	109	0	0	109	35	0	0	109	35
5.	2001 .....	438	299	583	195	882	201	82	0	964	220
6.	2002 .....	554	484	683	141	1,167	211	7,024	0	8,191	1,479
7.	TOTAL (Lines 1 through 6) .....	X X X	999	1,266	X X X	2,265	X X X	7,106	0	9,371	X X X
8.	TOTAL (Lines 2 through 6) .....	1,602	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X

12 Title XIX-Medicaid



**12      Underwriting Invest Exh Pt 2C Sn A - Paid Claims - Other . . . . . NONE**

**12      Underwriting Invest Exh Pt 2C Sn B - Incur Claims - Other. . . . . NONE**

**12      Underwriting Invest Exh Pt 2C Sn C - Expns Ratios - Other. . . . . NONE**

**13      Underwriting Invest Exh Pt 2D - A & H Reserve - . . . . . NONE**

**UNDERWRITING AND INVESTMENT EXHIBIT**  
**PART 3 - ANALYSIS OF EXPENSES**

		1	2	3	4
		Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1.	Rent (\$.....0 for occupancy of own building) .....	16,393	147,537	0	163,930
2.	Salaries, wages and other benefits .....	355,069	2,181,135	0	2,536,204
3.	Commissions (less \$.....0 ceded plus \$.....0 assumed) .	0	0	0	0
4.	Legal fees and expenses .....	0	48,120	0	48,120
5.	Certifications and accreditation fees .....	121,306	0	0	121,306
6.	Auditing, actuarial and other consulting services .....	28,305	0	0	28,305
7.	Traveling expenses .....	0	202,691	0	202,691
8.	Marketing and advertising .....	0	0	0	0
9.	Postage, express and telephone .....	12,613	77,480	0	90,093
10.	Printing and office supplies .....	0	68,230	0	68,230
11.	Occupancy, depreciation and amortization .....	15,541	66,254	0	81,795
12.	Equipment .....	1,740	7,470	0	9,210
13.	Cost or depreciation of EDP equipment and software .....	0	0	0	0
14.	Outsourced services including EDP, claims, and other services .....	840	3,584	0	4,424
15.	Boards, bureaus and association fees .....	0	45,720	0	45,720
16.	Insurance, except on real estate .....	5,689	24,251	0	29,940
17.	Collection and bank service charges .....	0	18,054	0	18,054
18.	Group service and administration fees .....	0	0	0	0
19.	Reimbursements by uninsured accident and health plans .....	0	0	0	0
20.	Reimbursements from fiscal intermediaries .....	0	0	0	0
21.	Real estate expenses .....	0	0	0	0
22.	Real estate taxes .....	0	0	0	0
23.	Taxes, licenses and fees:				
23.1	State and local insurance taxes .....	0	0	0	0
23.2	State premium taxes .....	0	0	0	0
23.3	Regulator authority licenses and fees .....	0	0	0	0
23.4	Payroll taxes .....	0	0	0	0
23.5	Other (excluding federal income and real estate taxes) .....	0	0	0	0
24.	Investment expenses not included elsewhere .....	0	0	0	0
25.	Aggregate write-ins for expenses .....	125,860	228,410	0	354,270
26.	Total expenses incurred (Lines 1 to 25) .....	683,356	3,118,936	0	(a)..... 3,802,292
27.	Add expenses unpaid December 31, prior year .....	0	0	0	0
28.	Less expenses unpaid December 31, current year .....	0	0	0	0
29.	Amounts receivable relating to uninsured accident and health plans, prior year .....	0	0	0	0
30.	Amounts receivable relating to uninsured accident and health plans, current year .....	0	0	0	0
31.	Total expenses paid (Lines 26 plus 27 minus 28 minus 29 plus 30) .	683,356	3,118,936	0	3,802,292
<b>DETAILS OF WRITE-INS</b>					
2501.	Office Supplies .....	29,542	125,945	0	155,487
2502.	Recruitment .....	672	2,858	0	3,530
2503.	EDP Services .....	24,902	99,607	0	124,509
2598.	Summary of remaining write-ins for Line 25 from overflow page .....	70,744	0	0	70,744
2599.	Totals (Lines 2501 through 2503 + 2598)(Line 25 above) .....	125,860	228,410	0	354,270

(a) Includes management fees of \$.....2,583,033 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected	Earned
		During Year	During Year
1.	U.S. Government bonds .....	(a).....0	0
1.1	Bonds exempt from U.S. tax .....	(a).....0	0
1.2	Other bonds (unaffiliated) .....	(a).....0	0
1.3	Bonds of affiliates .....	(a).....0	0
2.1	Preferred stocks (unaffiliated) .....	(b).....0	0
2.11	Preferred stocks of affiliates .....	(b).....0	0
2.2	Common stocks (unaffiliated) .....	0	0
2.21	Common stocks of affiliates .....	0	0
3.	Mortgage loans .....	(c).....0	0
4.	Real estate .....	(d).....0	0
5.	Contract loans .....	0	0
6.	Cash/short-term investments .....	(e).....0	0
7.	Derivative instruments .....	(f).....0	0
8.	Other invested assets .....	0	0
9.	Aggregate write-ins for investment income .....	0	0
10.	Total gross investment income .....	0	0
11.	Investment expenses .....		(g).....0
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g).....0
13.	Interest expense .....		(h).....0
14.	Depreciation on real estate and other invested assets .....		(i).....0
15.	Aggregate write-ins for deductions from investment income .....		0
16.	Total deductions (Lines 11 through 15) .....		0
17.	Net Investment income (Line 10 minus Line 16) .....		0
DETAILS OF WRITE-INS			
0901	.....	0	0
0902	.....	0	0
0903	.....	0	0
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	0	0
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	0	0
1501	.....		0
1502	.....		0
1503	.....		0
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		0
1599.	TOTALS (Lines 1501 through 1503 plus 1598) (Line 15, above) .....		0

- (a) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (b) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
- (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (d) Includes \$.....0 for company's occupancy of its own buildings; and excluding \$.....0 interest on encumbrances.
- (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
- (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
- (g) Includes \$.....0 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
- (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
- (i) Includes \$.....0 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1	2	3	4	5
		Realized Gain	Other Realized	Increases	Net Gain (Loss)	
		(Loss) on Sales	Adjustments	(Decreases) by	from Change	
		or Maturity		Adjustment	in Difference	
					Between Basis	
					Book/Adjusted	
					Carrying and	
					Admitted Values	Total
1.	U.S. Government bonds .....	0	0	0	0	0
1.1	Bonds exempt from U.S. tax .....	0	0	0	0	0
1.2	Other bonds (unaffiliated) .....	0	0	0	0	0
1.3	Bonds of affiliates .....	0	0	0	0	0
2.1	Preferred stocks (unaffiliated) .....	0	0	0	0	0
2.11	Preferred stocks of affiliates .....	0	0	0	0	0
2.2	Common stocks (unaffiliated) .....	0	0	0	0	0
2.21	Common stocks of affiliates .....	0	0	0	0	0
3.	Mortgage loans .....	0	0	0	0	0
4.	Real estate .....	0	0	0	0	0
5.	Contract loans .....	0	0	0	0	0
6.	Cash/short-term investments .....	0	0	0	0	0
7.	Derivative instruments .....	0	0	0	0	0
8.	Other invested assets .....	0	0	0	0	0
9.	Aggregate write-ins for capital gains (losses) .....	0	0	0	0	0
10.	Total capital gains (losses) .....	0	0	0	0	0
DETAILS OF WRITE-INS						
0901	.....	0	0	0	0	0
0902	.....	0	0	0	0	0
0903	.....	0	0	0	0	0
0998.	Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0	0
0999.	TOTALS (Lines 0901 through 0903 plus 0998) (Line 9, above) .....	0	0	0	0	0

**EXHIBIT 1 - ANALYSIS OF NONADMITTED ASSETS AND RELATED ITEMS**

		1	2	3
		End of Current Year	End of Prior Year	Changes for Year (Increase) or Decrease
1.	Summary of items Page 2, Lines 10 to 13 and 15 to 20, Column 2 .....	183,315	202,284	18,969
2.	Other Nonadmitted Assets:			
2.1	Bills receivable .....	0	0	0
2.2	Leasehold improvements .....	0	0	0
2.3	Cash advanced to or in the hands of officers and agents .....	0	0	0
2.4	Loans on personal security, endorsed or not .....	0	0	0
2.5	Commuted commissions .....	0	0	0
3.	Total (Lines 2.1 to 2.5) .....	0	0	0
4.	Aggregate write-ins for other assets .....	18,433	6,233	(12,200)
5.	TOTAL (Line 1 plus Line 3 and Line 4) .....	201,748	208,517	6,769
DETAILS OF WRITE-INS				
0401.	Prepaid Expenses .....	18,433	6,233	(12,200)
0402.	Cash .....	0	0	0
0403	.....	0	0	0
0498.	Summary of remaining write-ins for Line 4 from overflow page .....	0	0	0
0499.	TOTALS (Lines 0401 through 0403 plus 0498) (Line 4 above) .....	18,433	6,233	(12,200)

**EXHIBIT 2 - ENROLLMENT BY PRODUCT TYPE**

Source of Enrollment		Total Members at End of					6
		1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	Current Year Member Months
1.	Health Maintenance Organizations .....	30,636	33,291	35,142	37,856	38,375	427,648
2.	Provider Service Organizations .....	0	0	0	0	0	0
3.	Preferred Provider Organizations .....	0	0	0	0	0	0
4.	Point of Service .....	0	0	0	0	0	0
5.	Indemnity Only .....	0	0	0	0	0	0
6.	Aggregate write-ins for other lines of business .....	0	0	0	0	0	0
7.	TOTAL .....	30,636	33,291	35,142	37,856	38,375	427,648
DETAILS OF WRITE-INS							
0601	.....	0	0	0	0	0	0
0602	.....	0	0	0	0	0	0
0603	.....	0	0	0	0	0	0
0698.	Summary of remaining write-ins for Line 6 from overflow page .....	0	0	0	0	0	0
0699.	TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	0	0	0	0	0	0

# Notes to Financial Statement

1. Significant Accounting Policies
- A. The accompanying financial statements have been completed in conformity with the NAIC Accounting Praciticies and Procedures manual. All accounting is accomplished on an accrual basis.

B. The preparation of financial statements is in conformity with the Annual Statement Instruction and Accounting Practices and Procedures manual which requires the use of management estimates.

C.Policies that materially affect the assets, liabilities, capital and surplus or results of operations include:

(1) Short-term investments are stated at market value

(2) Common stocks are stated at market value
2. Accounting Changes and Correction of Errors
- A. Material changes in accounting principals and/or correction of errors - None

B. Cumulative effect of changes in accounting principals as a result of the initial implementation of codification - None
3. Business Combinations and Goodwill
- A. Statutory purchase method - N/A

B. Statutory merger - N/A

C. Impairment loss - N/A
4. Discontinued Operations
- None
5. Investments
- A. Mortgage loans - None

B. Debt restructuring - None

C. Reverse mortgages - None

D. Loan-backed securities - None

E. Repurchase agreements - None
6. Joint Ventures, Partnerships and Limited Liability Companies
- A. None

B. None
7. Investment Income
- A. Bases for excluding any investment due and accrued - None

B. Total amount excluded - N/A
8. Derivative Instruments
- None
9. Income Taxes
- None
10. Information concerning Parent, Subsidiaries and Affiliates
- A. Community Care Plan (CCP) is owned by Metropolitan Hospital.

B. Related party transactions involve reimbursement for services provided by the owner and affiliates to the enrollees of CCP.

C. The total dollar amount reported for these transcatons is \$7,853,081.

D. At December 31, 2002 \$214,352 was due to Metropolitan Hospital for management services in addition to an undeterminable amount for claims related services.

E. None

F. In addition to the agreement with the owner and its' affiliates for the provision of medical services there also exists an agreement with the owner for staffing and IS support. All the staff of CCP are employed by Metropolitan Hospital and assigned to CCP. Related expenses are billed and reimbursed by CCP on a monthly basis.

Notes to Financial Statement

was	G. Metropolitan Hospital is the sole owner of CCP. The operating results or financial position of CCP would not be significantly different if the enterprise autonomous.
	H. N/A
	I. N/A
	J. N/A
11.	Debt
	A. Capital notes - N/A
	B. All other debt - N/A
12.	Retirement plans, deferred compensation, post-employment benefits and compensated absenses and other post-retirement benefit plans.
	As all staff of CCP are employees of Metropolitan Hospital, they are covered by the retirement plan and post-retirement benefits afforded all employees of Metropolitan Hospital.
13.	Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations
	CCP became a stock corporation March 1, 2001
	(1) Number of Shares - 100
	(2) Dividend rate - N/A
	(3) Dividend restrictions - N/A
	(4) Portion of profits that may be paid as ordinary dividends - N/A
	(5) Restrictions on surplus - None
	(6) N/A
	(7) Total amount of stock held by the company - None
	(8) Reasons for changes in the amount of any special surplus funds - None
	(9) None
	(10) Surplus Notes - N/A
	(11) N/A
	(12) N/A
14.	Contingencies
	A. Contingent commitments - None
	B. Assessments - None
	C. Gain contingencies - None
	D. All other contingencies - None
15.	Leases
	A. CCP has a lease arrangement in place for office space.
	(1) a. The total lease expense included in the financial statements amounts to \$163,930
	b. Basis for contingent rental payments - None
	c. On May 1, 2002 the monthly rent increased by \$2,828.92 and is also subject to further adjustment by the increase in the not to exceed 5%.
	d. Restriction placed on rental agreements - None
	(2) a. Future minimal rental payments are as follows
	2003 - \$213,440
	2004 - \$224,112
	2005 - \$ 62,720
	2006 - \$ 0
	B. N/A
16.	Information about financial instrucments with off-balance sheet risk and financial instruments with concentrations of credit risk.
	A. Financial statements with off-balance sheet risk - N/A
17.	Sale, transfer and servicing of financial assets and extinguishments of liabilities
	A. Transfer of receivables reported as sales - None
	B. Transfer and servicing of financial assets - None
	C. Wash sales - None
18.	Gain or loss to the reporting entity from uninsured portion of partially insured plans.
	A. ASO plans - None
	B. ASC plans - None
	C. CCP's sole line of business is the Medicaid contract with the State of Michigan. All of the reported activity is from this source.
19.	Direct premium written/produced by managing general agents/third party administrators
	None
20.	Other Items
	A. Extraordinary item - None
	B. Troubled debt restructuring: debtors - None
	C. Other disclosures - None
	D. None
21.	Events Subsequent
	None at 3/1/2003

Notes to Financial Statement

22. Reinsurance

A. Unsecured reinsurance recoverables - None

B. Reinsurance recoverables in dispute - None

C. Reinsurance assumed and ceded - None

D. Uncollectible Reinsurance - None

E. Commutation of ceded reinsurance

Munich American Reassurance Co.

(1) Losses incurred - None

(2) Loss adjustment expenses incurred - None

(3) Premiums Earned - \$45,234

(4) Other - Contract started 10/1/2002

CNA Re

(1) Losses incurred - None

(2) Loss adjustment expense incurred - None

(3) Premiums Earned - \$193,676

(4) Other Contract ended 9/30/2002

F. Retroactive Reinsurance - None
23. Retrospective rated contracts

None
24. Salvage and subrogation

None
25. Change in incurred claims and claims adjustment expenses

None
26. Organization and Operation

Community Care Plan is contracted with the State of Mihcigan as a health maintenance organization (HMO) to provide managed health care benefits to the assigned Medicaid population. The HMO license was granted on June 29, 2000. This is CCP's sole line of business. Community Care Plan pays providers of medical services according to the State of Michigan Medicaid guidelines and fee schedule. For some primary care physicians, reimbursement occurs according to an age/gender adjusted capitation schedule for a defined range of services. CCP also has risk arrangements with contracting provider groups. The administration of, and accounting for, CCP's operations occurs on site at its corporate headquarters. As a result, all of the corresponding books, records and legal documents can be found at this location.
27. Minimum Net Worth

Under the laws of the State of Michigan, CCP is required to maintain minimum net worth on a statutory basis as follows:

An HMO shall possess and maintain unimpaired net worth until the earlier of the following:

The HMO attains a level of net worth as provided below before December 31, 2003

For HMOs that contract with providers sufficient to provide 90% of the HMOs benefit payout, minimum net worth is the greatest of the following:

\$1,500,000

4% of the HMOs subscription revenue

3 months of uncovered expenses

For HMOs that do not contract with providers sufficient to provide 905 of the HMOs benefit payout, minimum net worth is the greatest of the following:

\$3,000,000

10% of the HMOs subscription revenue

3 months of uncovered expense

At December 31, 2002 Community Care Plan is reprotng \$6,567,679 of statutory Net Worth.



**SUMMARY INVESTMENT SCHEDULE**

Investment Categories		Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
		1 Amount	2 Percentage	3 Amount	4 Percentage
1.	Bonds:				
1.1	U.S. treasury securities .....	0	0.000	0	0.000
1.2	U.S. government agency and corporate obligations (excluding mortgage-backed securities):				
1.21	Issued by U.S. government agencies .....	0	0.000	0	0.000
1.22	Issued by U.S. government sponsored agencies .....	0	0.000	0	0.000
1.3	Foreign government (including Canada, excluding mortgage-backed securities) .....	0	0.000	0	0.000
1.4	Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41	States, territories and possessions general obligations .....	0	0.000	0	0.000
1.42	Political subdivisions of states, territories and possessions and political subdivisions general obligations .....	0	0.000	0	0.000
1.43	Revenue and assessment obligations .....	0	0.000	0	0.000
1.44	Industrial development and similar obligations .....	0	0.000	0	0.000
1.5	Mortgage-backed securities (includes residential and commercial MBS):				
1.51	Pass-through securities:				
1.511	Guaranteed by GNMA .....	0	0.000	0	0.000
1.512	Issued by FNMA and FHLMC .....	0	0.000	0	0.000
1.513	Privately issued .....	0	0.000	0	0.000
1.52	CMOs and REMICs:				
1.521	Issued by FNMA and FHLMC .....	0	0.000	0	0.000
1.522	Privately issued and collateralized by MBS issued or guaranteed by GNMA, FNMA, or FHLMC .....	0	0.000	0	0.000
1.523	All other privately issued .....	0	0.000	0	0.000
2.	Other debt and other fixed income securities (excluding short term):				
2.1	Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....	0	0.000	0	0.000
2.2	Unaffiliated foreign securities .....	0	0.000	0	0.000
2.3	Affiliated securities .....	0	0.000	0	0.000
3.	Equity interests:				
3.1	Investments in mutual funds .....	0	0.000	0	0.000
3.2	Preferred stocks:				
3.21	Affiliated .....	0	0.000	0	0.000
3.22	Unaffiliated .....	0	0.000	0	0.000
3.3	Publicly traded equity securities (excluding preferred stocks):				
3.31	Affiliated .....	0	0.000	0	0.000
3.32	Unaffiliated .....	0	0.000	0	0.000
3.4	Other equity securities:				
3.41	Affiliated .....	0	0.000	0	0.000
3.42	Unaffiliated .....	0	0.000	0	0.000
3.5	Other equity interests including tangible personal property under lease:				
3.51	Affiliated .....	0	0.000	0	0.000
3.52	Unaffiliated .....	0	0.000	0	0.000
4.	Mortgage loans:				
4.1	Construction and land development .....	0	0.000	0	0.000
4.2	Agricultural .....	0	0.000	0	0.000
4.3	Single family residential properties .....	0	0.000	0	0.000
4.4	Multifamily residential properties .....	0	0.000	0	0.000
4.5	Commercial loans .....	0	0.000	0	0.000
5.	Real estate investments:				
5.1	Property occupied by company .....	0	0.000	0	0.000
5.2	Property held for production of income (includes \$.....0 of property acquired in satisfaction of debt) .....	0	0.000	0	0.000
5.3	Property held for sale (\$.....0 including property acquired in satisfaction of debt) .....	0	0.000	0	0.000
6.	Policy loans .....	0	0.000	0	0.000
7.	Receivables for securities .....	0	0.000	0	0.000
8.	Cash and short-term investments .....	0	0.000	12,740,609	100.000
9.	Other invested assets .....	0	0.000	0	0.000
10.	Total invested assets .....	0	0.000	12,740,609	100.000

**GENERAL INTERROGATORIES**  
**PART 1 - COMMON INTERROGATORIES**  
**GENERAL**

- 1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[ ]
- 1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[ ] N/A[ ]
- 1.3 State Regulating?

.....
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[ ] No[X]
- 2.2 If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

.....
- 3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2001.....
- 3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/19/2002.....
- 3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....12/19/2002.....
- 3.4 By what department or departments?  
State of Michigan Office of Financial and Insurance Services
- 4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11 sales of new business?

Yes[ ] No[X]
- 4.12 renewals?

Yes[ ] No[X]
- 4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21 sales of new business?

Yes[ ] No[X]
- 4.22 renewals?

Yes[ ] No[X]
- 5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[ ] No[X]
- 5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile
.....	.....	.....

- 6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action either formal or informal, if a confidentiality clause is part of the agreement)

Yes[ ] No[X]
- 6.2 If yes, give full information:
- 7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[ ] No[X]
- 7.2 If yes,
- 7.21 State the percentage of foreign control

.....0.000%
- 7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact)

1	2
Nationality	Type of Entity
.....	.....

**GENERAL INTERROGATORIES (continued)**

8. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?  
CROWE, CHIZEK AND COMPANY LLP, 330 EAST JEFFERSON BLVD. PO BOX 7 SOUTHBEND IND 46624

9. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?  
ERNST & YOUNG LLP, SEARS TOWER 233 SOUTH WACKER DRIVE, CHICAGO, IL 60606-6301

10. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:  
10.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?  
10.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located?  
10.3 Have there been any changes made to any of the trust indentures during the year?  
10.4 If answer to (10.3) is yes, has the domiciliary or entry state approved the changes?
- Yes[ ] No[ ] N/A[X]  
Yes[ ] No[ ] N/A[X]  
Yes[ ] No[ ] N/A[X]

**BOARD OF DIRECTORS**

11. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

12. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

13. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees which is in or is likely to conflict with the official duties of such person?
- Yes[ ] No[X]

Yes[X] No[ ]

Yes[ ] No[X]

**FINANCIAL**

- 14.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):  
14.11 To directors or other officers  
14.12 To stockholders not officers  
14.13 Trustees, supreme or grand (Fraternal only)

14.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):  
14.21 To directors or other officers  
14.22 To stockholders not officers  
14.23 Trustees, supreme or grand (Fraternal only)

15.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

15.2 If yes, state the amount thereof at December 31 of the current year:  
15.21 Rented from others  
15.22 Borrowed from others  
15.23 Leased from others  
15.24 Other
- \$ ..... 0  
\$ ..... 0  
\$ ..... 0

\$ ..... 0  
\$ ..... 0  
\$ ..... 0

Yes[ ] No[X]

\$ ..... 0  
\$ ..... 0  
\$ ..... 0  
\$ ..... 0
- Disclose in Notes to Financial the nature of each obligation.

16.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

16.2 If answer is yes:  
16.21 Amount paid as losses or risk adjustment  
16.22 Amount paid as expenses  
16.23 Other amounts paid
- Yes[ ] No[X]

\$ ..... 0  
\$ ..... 0  
\$ ..... 0

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

17. List the following capital stock information for the reporting entity:

	1	2	3	4	5	6
Class	Number of Shares Authorized	Number of Shares Outstanding	Par Value Per Share	Redemption Price If Callable	Is Dividend Rate Limited?	Are Dividends Cumulative?
1. Preferred .....	0.000	0.000	0.000	0.000	Yes[ ] No[ ] N/A[X]	Yes[ ] No[ ] N/A[X]
2. Common .....	1,000.000	100.000	0.000	X X X	X X X	X X X

18.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 2 - Special Deposits?

Yes[X] No[ ]

18.2 If no, give full and complete information, relating thereto:

19.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on Schedule E - Part 2 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 15.1).

Yes[ ] No[X]

19.2 If yes, state the amount thereof at December 31 of the current year:

19.21 Loaned to others	\$	0
19.22 Subject to repurchase agreements	\$	0
19.23 Subject to reverse repurchase agreements	\$	0
19.24 Subject to dollar repurchase agreements	\$	0
19.25 Subject to reverse dollar repurchase agreements	\$	0
19.26 Pledged as collateral	\$	0
19.27 Placed under option agreements	\$	0
19.28 Letter stock or securities restricted as to sale	\$	0
19.29 Other	\$	0

19.3 For each category above, if any of these assets are held by other, identify by whom held:

- 19.31
- 19.32
- 19.33
- 19.34
- 19.35
- 19.36
- 19.37
- 19.38
- 19.39

For categories (19.21) and (19.23) above, and for any securities that were made available for use by another person during the period covered by this statement, attach a schedule as shown in the instructions to the annual statement.

19.4 For category (19.28) provide the following:

1	2	3
Nature of Restriction	Description	Amount
.....	.....	0

20.1 Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes[ ] No[X]

20.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

Yes[ ] No[ ] N/A[X]

If no, attach a description with this statement.

21.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes[ ] No[X]

21.2 If yes, state the amount thereof at December 31 of the current year.

\$0

22. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes[X] No[ ]

22.1 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1		2
Name of Custodian(s)		Custodian's Address
22.1001	Fifth Third Bank .....	222 Lyon NW, Grand Rapids, Mi 49501 .....

**GENERAL INTERROGATORIES (continued)**

**INVESTMENT**

22.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
N/A .....	.....	.....
N/A .....	.....	.....

22.03 Have there been any changes, including name changes, in the custodian(s) identified in 22.01 during the current year? Yes[ ] No[X]

22.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
N/A .....	.....	.....	.....

22.05 Identify all investment advisers, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A .....	.....	.....
N/A .....	.....	.....
N/A .....	.....	.....

23.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any? \$ ..... 0

23.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
N/A .....	..... 0

24.1 Amount of payments for legal expenses, if any? \$ ..... 0

24.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
N/A .....	..... 0

25.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any? \$ ..... 0

25.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
N/A .....	..... 0

## GENERAL INTERROGATORIES (continued)

### PART 2 - HEALTH INTERROGATORIES

- |   |              |           |
|---|--------------|-----------|
| 1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?   | Yes[ ] No[X] |           |
| 1.2 If yes, indicate premium earned on U.S. business only:  | \$           | 0         |
| 1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?   | \$           | 0         |
| 1.31 Reason for excluding:  |              |           |
| 1.4 Indicate amount of premium earned attributable to Canadian and/or Other Alien not included in Item (1.2) above.   | \$           | 0         |
| 1.5 Indicate total incurred claims on all Medicare Supplement insurance.  | \$           | 0         |
| 1.6 Individual policies - Most current three years:   |              |           |
| 1.61 Total premium earned   | \$           | 0         |
| 1.62 Total incurred claims  | \$           | 0         |
| 1.63 Number of covered lives  | \$           | 0         |
| All years prior to most current three years:  |              |           |
| 1.64 Total premium earned   | \$           | 0         |
| 1.65 Total incurred claims  | \$           | 0         |
| 1.66 Number of covered lives  | \$           | 0         |
| 1.7 Group policies - Most current three years:  |              |           |
| 1.71 Total premium earned   | \$           | 0         |
| 1.72 Total incurred claims  | \$           | 0         |
| 1.73 Number of covered lives  | \$           | 0         |
| All years prior to most current three years:  |              |           |
| 1.74 Total premium earned   | \$           | 0         |
| 1.75 Total incurred claims  | \$           | 0         |
| 1.76 Number of covered lives  | \$           | 0         |
| 2.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits?   | Yes[ ] No[X] |           |
| 2.2 If yes, give particulars:   |              |           |
| 3.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and departments been filed with the appropriate regulatory agency?  | Yes[ ] No[X] |           |
| 3.2 If not previously filed furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered?   | Yes[ ] No[X] |           |
| 4.1 Does the reporting entity have stop-loss reinsurance?   | Yes[X] No[ ] |           |
| 4.2 If no, explain:   |              |           |
| 4.3 Maximum retained risk (see instructions):   |              |           |
| 4.31 Comprehensive Medical  | \$           | 1,000,000 |
| 4.32 Medical Only   | \$           | 0         |
| 4.33 Medicare Supplement  | \$           | 0         |
| 4.34 Dental   | \$           | 0         |
| 4.35 Other Limited Benefit Plan   | \$           | 0         |
| 4.36 Other  | \$           | 0         |
| 5. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements: |              |           |
| 6.1 Does the reporting entity set up its claim liability for provider services on a service data base?  | Yes[X] No[ ] |           |
| 6.2 If no, give details:  |              |           |
| 7. Provide the following information regarding participating providers:   |              |           |
| 7.1 Number of providers at start of reporting year  |              | 954       |
| 7.2 Number of providers at end of reporting year  |              | 994       |
| 8.1 Does the reporting entity have business subject to premium rate guarantees?   | Yes[ ] No[X] |           |
| 8.2 If yes, direct premium earned:  |              |           |
| 8.21 Business with rate guarantees between 15-36 months   |              | 0         |
| 8.22 Business with rate guarantees over 36 months   |              | 0         |
| 9.1 Does the reporting entity have Bonus/Withhold Arrangements in its provider contracts?   | Yes[ ] No[X] |           |
| 9.2 If yes:   |              |           |
| 9.21 Maximum amount payable bonuses   | \$           | 0         |
| 9.22 Amount actually paid for year bonuses  | \$           | 0         |
| 9.23 Maximum amount payable withholds   | \$           | 75,773    |
| 9.24 Amount actually paid for year withholds  | \$           | 0         |
| 10. List service areas in which reporting entity is licensed to operate:  |              |           |

1	
Name of Service Area	
Allegan County, Michigan	
Barry County, Michigan	
Crawford County, Michigan	
Ionia County, Michigan	
Isabella County, Michigan	
Kent County, Michigan	
Mecosta County, Michigan	
Montcalm County, Michigan	
Muskegon County, Michigan	
Newaygo County, Michigan	
Oceana County, Michigan	
Osceola County, Michigan	
Ottawa County, Michigan	
Roscommon County, Michigan	
Wexford County, Michigan	
Missaukee County, Michigan	

FIVE-YEAR HISTORICAL DATA

	1 2002	2 2001	3 2000	4 1999	5 1998
<b>BALANCE SHEET ITEMS (Pages 2 and 3)</b>					
1. Total admitted assets (Page 2, Line 23) .....	14,014,577	11,730,405	7,193,731	5,188,793	2,850,719
2. Total liabilities (Page 3, Line 18) .....	7,446,898	6,392,149	3,860,131	3,063,096	1,986,359
3. Statutory surplus .....	0	0	589,417	500,000	500,000
4. Total capital and surplus (Page 3, Line 26) .....	6,567,679	5,338,256	3,333,600	2,125,876	864,360
<b>INCOME STATEMENT ITEMS (Page 4)</b>					
5. Total revenues (Line 7) .....	55,413,678	43,779,077	30,793,310	21,655,531	8,525,927
6. Total medical and hospital expenses (Line 17) .....	50,591,163	39,213,601	27,373,450	19,202,277	7,798,026
7. Total administrative expenses (Line 19) .....	3,118,936	2,667,464	2,240,050	1,400,548	863,999
8. Net underwriting gain (loss) (Line 22) .....	1,020,223	1,315,135	1,021,775	1,267,350	(42,031)
9. Net investment gain (loss) (Line 25) .....	188,538	252,148	298,905	214,644	94,067
10. Total other income (Lines 26 plus 27) .....	13,893	445,411	10,323	0	0
11. Net income or (loss) (Line 30) .....	1,222,654	2,012,694	1,331,003	1,267,350	(42,031)
<b>RISK-BASED CAPITAL ANALYSIS</b>					
12. Total adjusted capital .....	6,567,679	5,338,256	3,333,600	2,125,876	864,360
13. Authorized control level risk-based capital .....	2,480,386	2,019,144	1,756,608	1,120,210	455,466
<b>ENROLLMENT (Exhibit 2)</b>					
14. Total members at end of period (Column 5, Line 7) .....	38,375	30,636	22,382	20,364	15,564
15. Total members months (Column 6, Line 7) .....	427,648	325,399	258,921	231,206	106,920
<b>OPERATING PERCENTAGE (Page 4)</b> <b>(Item divided by Page 4, sum of Lines 2, 3 and 5)</b>					
16. Premiums earned (Lines 2 plus 3) .....	100.0	100.0	100.0	100.0	100.0
17. Total medical and hospital (Line 17) .....	91.3	89.6	88.9	89.0	91.0
18. Total underwriting deductions (Line 21) .....	98.2	97.0	96.7	95.0	101.0
19. Total underwriting gain (loss) (Line 22) .....	1.8	3.0	3.3	5.0	(1.0)
<b>UNPAID CLAIMS ANALYSIS</b> <b>(U&amp;I Exhibit, Part 2B)</b>					
20. Total claims incurred for prior years (Line 11, Col. 5) .....	5,347,442	2,376,699	1,501,688	1,540,204	491,862
21. Estimated liability of unpaid claims-[prior year (Line 11, Col. 6)] ..	6,036,872	3,258,459	2,150,200	1,533,180	1,041,318

FIVE-YEAR HISTORICAL DATA (Continued)

		1 2002	2 2001	3 2000	4 1999	5 1998
INVESTMENTS IN PARENT, SUBSIDIARIES AND AFFILIATES						
22.	Affiliated bonds (Sch. D Summary, Line 25, Col. 1) .....	0	0	0	0	0
23.	Affiliated preferred stocks (Sch. D Summary, Line 39, Col. 1) .....	0	0	0	0	0
24.	Affiliated common stocks (Sch. D Summary, Line 53, Col. 2) .....	N O N E	0	0	0	0
25.	Affiliated short-term investments (subtotal included in Sch. DA, Part 2, Col. 5, Line 11) .....		0	0	0	0
26.	Affiliated mortgage loans on real estate .....		0	0	0	0
27.	All other affiliated .....		0	0	0	0
28.	Total of above Lines 22 to 27 .....	0	0	0	0	0



**35     Schedule A - Verification - ..... NONE**

**35     Schedule B - Verification - ..... NONE**

**35     Schedule BA - Verification - ..... NONE**

**36     Schedule D - Summary by Country - ..... NONE**

**36     Schedule D - Verification - ..... NONE**

**SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**

**Allocated by States and Territories**

			1	2	Direct Business Only			
			Guaranty Fund (Yes or No)	Is Insurer Licensed (Yes or No)	3	4	5	6
State, Etc.					Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums
1.	Alabama	AL	No	No	0	0	0	0
2.	Alaska	AK	No	No	0	0	0	0
3.	Arizona	AZ	No	No	0	0	0	0
4.	Arkansas	AR	No	No	0	0	0	0
5.	California	CA	No	No	0	0	0	0
6.	Colorado	CO	No	No	0	0	0	0
7.	Connecticut	CT	No	No	0	0	0	0
8.	Delaware	DE	No	No	0	0	0	0
9.	District of Columbia	DC	No	No	0	0	0	0
10.	Florida	FL	No	No	0	0	0	0
11.	Georgia	GA	No	No	0	0	0	0
12.	Hawaii	HI	No	No	0	0	0	0
13.	Idaho	ID	No	No	0	0	0	0
14.	Illinois	IL	No	No	0	0	0	0
15.	Indiana	IN	No	No	0	0	0	0
16.	Iowa	IA	No	No	0	0	0	0
17.	Kansas	KS	No	No	0	0	0	0
18.	Kentucky	KY	No	No	0	0	0	0
19.	Louisiana	LA	No	No	0	0	0	0
20.	Maine	ME	No	No	0	0	0	0
21.	Maryland	MD	No	No	0	0	0	0
22.	Massachusetts	MA	No	No	0	0	0	0
23.	Michigan	MI	No	Yes	0	0	55,413,678	0
24.	Minnesota	MN	No	No	0	0	0	0
25.	Mississippi	MS	No	No	0	0	0	0
26.	Missouri	MO	No	No	0	0	0	0
27.	Montana	MT	No	No	0	0	0	0
28.	Nebraska	NE	No	No	0	0	0	0
29.	Nevada	NV	No	No	0	0	0	0
30.	New Hampshire	NH	No	No	0	0	0	0
31.	New Jersey	NJ	No	No	0	0	0	0
32.	New Mexico	NM	No	No	0	0	0	0
33.	New York	NY	No	No	0	0	0	0
34.	North Carolina	NC	No	No	0	0	0	0
35.	North Dakota	ND	No	No	0	0	0	0
36.	Ohio	OH	No	No	0	0	0	0
37.	Oklahoma	OK	No	No	0	0	0	0
38.	Oregon	OR	No	No	0	0	0	0
39.	Pennsylvania	PA	No	No	0	0	0	0
40.	Rhode Island	RI	No	No	0	0	0	0
41.	South Carolina	SC	No	No	0	0	0	0
42.	South Dakota	SD	No	No	0	0	0	0
43.	Tennessee	TN	No	No	0	0	0	0
44.	Texas	TX	No	No	0	0	0	0
45.	Utah	UT	No	No	0	0	0	0
46.	Vermont	VT	No	No	0	0	0	0
47.	Virginia	VA	No	No	0	0	0	0
48.	Washington	WA	No	No	0	0	0	0
49.	West Virginia	WV	No	No	0	0	0	0
50.	Wisconsin	WI	No	No	0	0	0	0
51.	Wyoming	WY	No	No	0	0	0	0
52.	American Samoa	AS	No	No	0	0	0	0
53.	Guam	GU	No	No	0	0	0	0
54.	Puerto Rico	PR	No	No	0	0	0	0
55.	U.S. Virgin Islands	VI	No	No	0	0	0	0
56.	Canada	CN	No	No	0	0	0	0
57.	Aggregate other alien	OT	X X X	X X X	0	0	0	0
58.	TOTAL (Direct Business)		X X X	(a) 1	0	0	55,413,678	0
DETAILS OF WRITE-INS								
5701					0	0	0	0
5702					0	0	0	0
5703					0	0	0	0
5798.	Summary of remaining write-ins for Line 57 from overflow page				0	0	0	0
5799.	TOTALS (Lines 5701 through 5703 plus 5798) (Line 57 above)				0	0	0	0

(a) Insert the number of yes responses except for Canada and Other Alien.  
Explanation of basis of allocation of premiums by states, etc.:

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

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